



Division of Insurance

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**Annual Report Shows Small Group
Market for Health Insurance Improving Slowly**

Denver – The number of small businesses that provide health insurance to their employees continues to decline, although at a slower pace than in previous years, according to a new report from the Colorado Division of Insurance.

The *2011 Colorado Small Group Market Activity Report*, released today, shows that declines in the number of covered lives and plans in the small group market are slowing, and that employers who offer health coverage are giving their employees more choice. The biggest drop was in the market for employers with one employee, who are sole proprietors and known as Business Groups of One (BG-1s). While the number of small group plans overall declined by 7 percent, the number of health plans for BG-1s dropped 35 percent.

But there was at least one strong improvement in the small group market: the number of health plans offered by employers with 26 to 50 employees grew by 53 percent and covered 18,628 more lives in 2011 than in 2010. “Small businesses continue to play a vital role in Colorado’s insurance market,” said Insurance Commissioner Jim Riesberg. “It is encouraging to see the increases in health coverage for employees who work for some of the larger companies within the small group market, but the smallest employers are still struggling to provide health insurance.”

The small group market is made up of employers who provide employee health coverage through a Colorado regulated health benefit plan, and have no more than 50 eligible employees in Colorado for at least half of the year.

Key findings in the report include:

- The total number of people covered by health insurance in the small group market in 2011 declined by 10,625, or about 4 percent. The total number of small group employers offering health insurance also dropped in 2011 by 2,210, a 7 percent decrease from 2010. These declines continue the trend from previous years, but at a slower rate.
- The number of plans for employers with 1 to 5 employees shrank, while plans for employers with 6 to 50 employees increased.
- The number of group plans for employers with 26 to 50 employees grew by 342, or about 53 percent; and covered 18,628 more lives in 2011, a 59 percent increase. Small employers shifted to more multi-option plans that provide employees more choice, and decreased the use of Health Savings Account (HSA) qualified plans in proportion to other plans. To read the full report, [click here](#).

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and assists consumers and other stakeholders with insurance issues.*

*[DORA](#) is dedicated to preserving the integrity of the marketplace and is committed to promoting a
fair and competitive business environment in Colorado. Consumer protection is our mission.*